



**Office of the United States Attorney  
District of Arizona**

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## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

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For Information Contact Public Affairs

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### **TUCSON BUSINESSMAN SENTENCED FOR TAX EVASION**

**TUCSON, Ariz.** -- Willis Edwards, age 65, of Tucson, Ariz., was sentenced here today in federal district court by Judge Frank R. Zapata for Attempted Evasion of Individual Income Taxes for 2001. Edwards was sentenced to probation for one year, fined \$25,000 and ordered to pay taxes owed to the Internal Revenue Service. In court, Edwards's tax liability was stated to be approximately \$45,000 plus civil interest and penalties.

Edwards had been charged in an information filed with U.S. District Court with attempted income tax evasion, in violation of Title 26 of U.S. Code, Section 7201. He pleaded guilty on September 22, 2004. Edwards, co-owner of Tucson Appliance Company, Tucson Furniture and Priority Appliance Service Company admitted in the plea agreement that for the calendar years 1999 through 2001, he filed federal partnership tax returns, Forms 1065, which failed to report cash business receipts for which unnumbered sales invoices were used by the companies. He also admitted in the plea agreement that sales employees were sometimes paid cash bonuses in excess of the employee's payroll check for cash sales.

The unreported cash receipts on the federal partnership tax returns resulted in the individual income tax returns of Edwards and his son and business co-owner, Chris Edwards, to under report their respective taxable individual income for the years 1999 through 2002. Edwards admitted that the unreported cash bonuses to employees caused federal employment

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tax returns, Forms 941, to falsely under report employment taxes owed by his business and the employees. Finally, Edwards admitted that the evasion of income taxes began in approximately January 1999 and continued until at least December 2002.

According to the plea, the amount of unreported cash sales for 2001 was at least \$100,000. As part of the plea agreement, Edwards has agreed to enter into civil settlement with the Internal Revenue Service for payment of back taxes, interest and applicable civil penalties.

The investigation in this case was conducted by special agents of the Criminal Investigation Division at the Internal Revenue Service.

The prosecution was handled by Danny N. Roetzel, Assistant United States Attorney, District of Arizona, Tucson, Ariz.

CASE: CR-04-01934-TUC-FRZ  
RELEASE: 2004-191

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